

**STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2007
(In Thousands of Dollars)**

Total Fund Balances – Governmental Funds \$ 4,680,001

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental funds are not financial resources and they are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	472,076	
Infrastructure in Progress	2,733,988	
Land	2,640,759	
Land Improvements	146,931	
Buildings and Improvements	2,124,410	
Equipment	1,071,343	
Infrastructure	40,251,481	
Accumulated Depreciation	<u>(21,324,727)</u>	
		28,116,261

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds (Note 1). 458,915

Long-term assets held for the State with a paying agent to make payments on bonds. 25,867

Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are deferred on the Statement of Net Assets. 38,707

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of (Notes 11 and 12):

Due to Other Entities	(30,633)	
General Obligation and Other Bonds Payable	(3,345,390)	
Obligation under Lease Purchases	(220,602)	
Compensated Absences	(167,438)	
Net Pension Obligation	(106,385)	
Contingent Liabilities	(1,194,945)	
Claims Liability	(85,543)	
Accrued Interest on Bonds	(34,593)	
Unamortized Bond Premium	<u>(159,986)</u>	
		(5,345,515)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Assets.

657,031

Net Assets of Governmental Activities \$ 28,631,267

The notes to the financial statements are an integral part of this statement.